



DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

Karl S. Aro
Executive Director

Bruce A. Myers, CPA
Legislative Auditor

September 8, 2005

Ms. Erica L. Snipes, Acting Executive Director
State Higher Education Labor Relations Board
839 Bestgate Road, Suite 400
Annapolis, Maryland 21401

Dear Ms. Snipes:

Enclosed is a copy of the Office of Legislative Audits' report dated August 30, 2005 covering the audit of the State Higher Education Labor Relations Board.

As prescribed by State Government Article, Section 2-1224 of the Annotated Code of Maryland, copies of all audit reports are made available to the public. Accordingly, this report will be available on September 13, 2005.

Sincerely,

Bruce A. Myers, CPA
Legislative Auditor

BAM/aab
Enclosure

cc: Delegate Charles E. Barkley, Co-Chair, Joint Audit Committee
Senator Nathaniel J. McFadden, Co-Chair, Joint Audit Committee
Joint Audit Committee Members
Senator Thomas V. Mike Miller, Jr., President of the Senate
Delegate Michael E. Busch, Speaker of the House of Delegates
Senator Ulysses Currie, Chairman, Senate Budget and Taxation Committee
Delegate Norman H. Conway, Chairman, House Appropriations Committee
Governor Robert L. Ehrlich, Jr.
Comptroller William Donald Schaefer
Treasurer Nancy K. Kopp
Attorney General J. Joseph Curran, Jr.
Secretary Cecilia Januszkiewicz, Department of Budget and Management
Robert R. Neall, Chair, State Higher Education Labor Relations Board
Robert A. Platky, Director of Financial Administration, Executive Department - Governor
Mr. Karl S. Aro, Executive Director, Department of Legislative Services



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Executive Director

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Legislative Auditor

August 30, 2005

Delegate Charles E. Barkley, Co-Chair, Joint Audit Committee
Senator Nathaniel J. McFadden, Co-Chair, Joint Audit Committee
Members of Joint Audit Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have audited the State Higher Education Labor Relations Board for the period beginning May 1, 2003 and ending May 31, 2005.

Our audit did not disclose any findings that warrant mention in this report.

Respectfully submitted,

Bruce A. Myers, CPA
Legislative Auditor

Background Information

Agency Responsibilities

State law, effective July 1, 2001, created the State Higher Education Labor Relations Board (HELRB) as an independent unit of State government to oversee collective bargaining for State institutions of higher education. The HELRB consists of a five-member board appointed by the Governor. The HELRB conducts representation elections, certifies election results, and certifies the elected exclusive representatives. The HELRB also receives petitions and hears complaints regarding unfair labor practices under the statute and regulations.

HELRB is a reimbursable fund agency and receives funding for its operating expenses from the University System of Maryland, Baltimore City Community College, St. Mary's College of Maryland, and Morgan State University. During fiscal year 2004, the HELRB's expenditures totaled approximately \$317,000, according to the State's records.

Findings and Recommendations

Our audit did not disclose any significant deficiencies in the design or operation of the HELRB's internal control. Nor did our audit disclose any significant instances of noncompliance with applicable laws, rules, or regulations. A less significant finding was communicated to HELRB that did not warrant mention in this report.

A draft copy of this report was provided to the HELRB. Since there are no recommendations in this report, a written response was not necessary.

Audit Scope, Objectives, and Methodology

We have audited the State Higher Education Labor Relations Board (HELRB) for the period beginning May 1, 2003 and ending May 31, 2005. The audit was conducted in accordance with generally accepted government auditing standards.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine the HELRB's financial transactions, records and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of materiality and risk. Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of the HELRB's operations. We also tested transactions and performed other auditing procedures that we considered necessary to achieve our objectives. Data provided in this report for background or informational purposes were deemed reasonable, but were not independently verified.

Our audit did not include certain support services provided to the HELRB by the Executive Department – Governor. These support services (such as processing invoices, and maintenance of certain accounting records and related fiscal functions) are included within the scope of our audits of the Executive Department – Governor.

The HELRB management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets, and compliance with applicable laws, rules, and regulations are achieved.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

AUDIT TEAM

Phyllis M. Clancy, CPA
Audit Manager

Stephen C. Pease, CPA
Senior Auditor

Keonna M. Carter
Staff Auditor